

GRAYLING TOWNSHIP

CRAWFORD COUNTY

AUDIT REPORT

JUNE 30, 2006

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input checked="" type="checkbox"/> Twp <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Unit Name Grayling Township	County Crawford
Fiscal Year End June 30, 2006	Opinion Date November 29, 2006	Date Audit Report Submitted to State December 11, 2006	

We affirm that:

We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).



Check each applicable box below. (See instructions for further detail.)

1. ☐ ☒ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2. ☐ ☒ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3. ☐ ☒ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4. ☐ ☒ The local unit has adopted a budget for all required funds.
5. ☐ ☒ A public hearing on the budget was held in accordance with State statute.
6. ☐ ☒ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7. ☐ ☒ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8. ☐ ☒ The local unit only holds deposits/investments that comply with statutory requirements.
9. ☐ ☒ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
10. ☐ ☒ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11. ☐ ☒ The local unit is free of repeated comments from previous years.
12. ☐ ☒ The audit opinion is UNQUALIFIED.
13. ☐ ☒ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14. ☐ ☒ The board or council approves all invoices prior to payment as required by charter or statute.
15. ☐ ☒ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

We have enclosed the following:	Enclosed	Not Required (enter a brief justification)	
Financial Statements	<input checked="" type="checkbox"/>		
The letter of Comments and Recommendations	<input type="checkbox"/>	Not required	
Other (Describe)	<input type="checkbox"/>		
Certified Public Accountant (Firm Name) Mickey L. Perez, P. C.		Telephone Number 989-348-2811	
Street Address 115 Michigan Avenue		City Grayling	State MI
Zip 49738		License Number 1101005321	
Authorizing CPA Signature 		Printed Name Mickey Perez	

GRAYLING TOWNSHIP OFFICIALS

Supervisor

Terry Wright

Clerk

Monica Ashton

Treasurer

Ruth O'Mara

TRUSTEES

Shawn Kraycs

Dennis Long

**MICKEY L. PEREZ, P.C.
CERTIFIED PUBLIC ACCOUNTANT
115 MICHIGAN AVE.
P. O. BOX 57
GRAYLING, MICHIGAN 49738**

INDEPENDENT AUDITOR'S REPORT

Grayling Township Board
Grayling Township
Grayling, Mi. 49738

I have audited the accompanying governmental and fiduciary financial statements of Grayling Township, Crawford County, Michigan as of and for the year ended June 30, 2006, as listed in the table of contents. These financial statements are the responsibility of the Township's management. My responsibility is to express an opinion on these financial statements based on my audit.

I have conducted my audit in accordance with generally accepted auditing standards accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

The township has adopted the fund financial statement format required by the Michigan Department of Treasury. The township has elected not to prepare government wide financial statements as required by GASB No. 34.

In my opinion, except for the departure from GASB No. 34, as explained in the preceding paragraph, that results in an incomplete presentation, the governmental and fiduciary financial statements present fairly, in all material respects, the financial position of the governmental and fiduciary funds of Grayling Township as of June 30, 2006, and the revenue, expenditures and changes in fund balances in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis on pages 2-6, and budgetary comparison information on pages 14-17 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, I did not audit the information and express no opinion on it.

Sincerely,

A handwritten signature in black ink that reads "Mickey Perez, C.P.A." The signature is written in a cursive, flowing style.

Mickey Perez
Certified Public Accountant

November 29, 2006

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Management's Discussion and Analysis
An addendum to Grayling Township's annual audit for fiscal 2005-2006

As supervisor of the Township of Grayling, (the "township"), I offer herein the township's financial statements, and narrative overview and analysis of those statements for our fiscal year ending June 30, 2006. I encourage consideration of the information presented here in conjunction with additional information that is furnished in the financial statements and audit.

Overview of Financial Statements

This discussion and analysis is intended to serve as an introduction to the township's basic financial statements, and also contains other supplementary information in addition to the financial statements themselves.

Governmental Fund Balance Sheet – A fund designed to provide a broad overview of the township's finances, in a manner similar to a private sector business. This report provides information on all the township's assets and liabilities with the difference between the two reported as net assets. It also presents information showing how the township's net assets changed during the most recent fiscal year. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the township is improving or deteriorating. As of June 30, 2006, the township's total net assets were \$661,779.

Governmental Fund Statement of Revenue, Expenditures, and Changes in Fund Balance – A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The township uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The township funds include the general fund, the improvement revolving fund and the liquor law enforcement fund. This statement focuses on spendable resources and balances of spendable resources available at the end of the fiscal year.

General Fund Budgetary Highlights – The general fund is the main operating fund for the township. The township improvement fund is used mainly for special non-budgeted projects outside the scope of the general fund such as the implementation of a new special assessment for road work and is not included in the general fund highlights below:

- Total general fund revenues for 2005-06 were \$1,054,927 and total expenditures were \$1,075,621 leaving a negative balance of \$20,694 in the general fund for this fiscal year. The total fund balance as of June 30, 2006 was \$484,724.
- Total township improvement fund revenues for 2005-06 were \$6,589 and total expenditures were \$0.
- The liquor law enforcement fund is designed as a zero-balance fund. All money collected for liquor inspections is paid to the inspector. As of June 30, 2006 revenues had exceeded expenditures by \$145.00, leaving a positive balance in this fund.
- The total of all expenditures exceeded revenues by \$13,960.
- As of June 30, 2006, the unreserved fund balance in the general fund was \$484,724, \$134,709 in the township improvement fund, and \$4,749 in the liquor law enforcement fund.
- The township has reserved \$15,000 for replacement of its trash compactor at a future time.
- Of the township improvement fund balance, \$22,587 has been received from the U.S. National Forest Service for roads in the Huron National Forest.

2005-06 was a very productive year for the township with many ongoing and special projects making up the annual agenda.

- Improvements to the Grayling Township recycling program included the addition of a new storage building, allowing the indoor storage of many recyclable items, like clear and colored plastic jugs, of which we must accumulate a large number in order to make one bale for shipment.
- The first of three phases of expansion to the City/Twp. Cemetery was completed with funding coming from a too large perpetual care fund.
- Through a state grant, the township was able to purchase several electronic voting machines. Implementation and testing of the machines took hundreds of hours of education and general coordination with the Michigan Secretary of State.
- The township board of trustees is considering two actions which will be significant in changing the structure of government and in providing services:
 1. Grayling Township will most likely soon become a charter township, operating under a completely different set of Michigan laws. This move will force the township to better

plan for future services and provide limited boundary protection from annexation.

2. The township board is investigating the implementation of a “policy governance” structure, which will include a distinct difference between policy makers and policy administrators. This system is structured to bring policy makers closer to other entities in the community and to actually use this interface in determining a set of written policies. The administration will carry out the policies and progress will be very strictly monitored to determine if policy is being followed.

Through the implementation of special assessment districts, the township continued to assist property owners in developing road maintenance and snowplowing programs. Currently 24 private roads are being maintained, at no expense to the township, to benefit nearly three-thousand township residents through assessment projects. Several areas also benefit from special assessment street lighting districts. Road maintenance and lighting assessments totaled \$82,290, paid out by the township and collected back from property owners at the end of 2005-06.

Fixed Assets and Debt Administration – Grayling Township owns land, buildings, vehicles and equipment which are classified as fixed assets. The fixed values of township assets was determined by investigating insurance records, meeting minutes and prior audits. As of June 30, 2006, the estimated cost of all township fixed assets was \$2,140,386.

Currently the township does not depreciate its fixed assets. Unlike a private business, fixed assets are only used to provide service, not to produce profits, therefore depreciation serves no general use in the accounting process. At some time in the future, the township board of trustees may decide to adopt a depreciation schedule for reporting purposes.

As of June 30, 2006, the total outstanding long-term debt for the fire station construction project of 2005 was \$428,699.

Economic Factors and Next Year’s Budget – The township continues to experience increases in property values, especially on lands bordering lakes and streams, however, with approximately 85-percent of township lands held by the federal and state governments, until some of these lands are sold into private hands the tax base will continue to be comparatively low. At the

same time, the township and county are expected to provide police, fire, ambulance, etc., services on their lands with very little tax revenue to offset the costs.

Due to the instability of future state shared revenues because of the unfavorable state-wide economic outlook, Grayling Township must continue to look for creative methods to deliver needed and wanted services.

The township general and improvement funds have adequate reserves to continue supporting current services, however, with township growth (more than 14-percent between 1990 and 2000) the board of trustees will have to continue looking very carefully at projects, like trash disposal, which are currently subsidized.

Future Economic Factors and Township Resources – As this report is being formulated, there are several significant, prospective economic development projects which could have a major impact on the future of Grayling Township, if they come to fruition. One, will be a mega-venture which could change the look of the community and bring many, many jobs and many millions of dollars in investments into the township. Others will bring significant jobs on a lesser scale.

The Grayling Township Board of Trustees are keeping in close touch with developments on these projects as they unfold. They could be the key to making our township a major destination for tourists and/or add a major enhancement to our industrial base.

Any of these prospective projects will require services from the township, which may be able to be provided through the increase in property tax revenues.

Requests for Information – This report is designed to provide a general overview of the township's finances. Questions concerning any of the information provided in this report, or requests for additional information, should be addressed to: Terry Wright, Supervisor; Grayling Township; PO Box 521; Grayling, MI 49738.

Respectively submitted by:

Terry R. Wright
Terry R. Wright, Supervisor

12-08-06
Date

GRAYLING TOWNSHIP
GOVERNMENTAL FUND BALANCE SHEET
JUNE 30, 2006

	GENERAL FUND	IMPROVEMENT REVOLVING FUND	LIQUOR LAW ENFORCEMENT FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS				
Cash and cash equivalents	\$ 5,722	\$	\$ 4,759	\$ 10,481
Investments	403,521	172,296		575,817
Delinquent taxes receivable	55			
Due from State of Michigan	14,950			14,950
Due from City of Grayling	10,097			
Special assessments-roads	<u>50,379</u>	<u> </u>	<u> </u>	<u>50,379</u>
TOTAL ASSETS	\$ <u>484,724</u>	\$ <u>172,296</u>	\$ <u>4,759</u>	\$ <u>661,779</u>
 FUND BALANCES				
Reserved for				
Compactor Station	\$	\$ 15,000	\$	15,000
National Forest Roads		22,587		22,587
Unreserved	<u>484,724</u>	<u>134,709</u>	<u>4,759</u>	<u>624,192</u>
Total Fund Balances	\$ <u>484,724</u>	\$ <u>172,296</u>	\$ <u>4,759</u>	661,779
NET ASSETS OF GOVERNMENTAL ACTIVITIES				\$ <u>661,779</u>

GRAYLING TOWNSHIP
GOVERNMENTAL FUND STATEMENT OF
REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE
YEAR ENDED JUNE 30, 2006

	GENERAL	IMPROVEMENT REVOLVING FUND	LIQUOR LAW ENFORCEMENT FUND	TOTAL GOVERNMENTAL FUNDS
REVENUES				
Taxes and Penalties	\$ 281,380	\$	\$	\$ 281,380
Licenses and permits	132,966			132,966
State grants	449,110		1,708	450,818
Charges for services	124,950			124,950
Interest	13,087	4,486		17,573
Other	<u>53,434</u>	<u>2,103</u>	<u> </u>	<u>55,537</u>
TOTAL REVENUES	<u>1,054,927</u>	<u>6,589</u>	<u>1,708</u>	<u>1,063,224</u>
EXPENDITURES				
Current				
General government	\$ 461,847	\$	\$	\$ 461,847
Public Safety	343,039		1,563	344,602
Public Works	223,725			223,725
Community and Economic Development	15,244			15,244
Recreational	23,623			23,623
Other	<u>8,143</u>	<u> </u>	<u> </u>	<u>8,143</u>
TOTAL EXPENDITURES	<u>1,075,621</u>	<u> </u>	<u>1,563</u>	<u>1,077,184</u>
EXCESS OF REVENUES OVER (UNDER EXPENDITURES)	(20,694)	6,589	145	(13,960)
FUND BALANCE JULY 1, 2005	<u>505,418</u>	<u>165,707</u>	<u>4,614</u>	<u>675,739</u>
FUND BALANCE JUNE 30, 2006	\$ <u>484,724</u>	\$ <u>172,296</u>	\$ <u>4,759</u>	\$ <u>661,779</u>

GRAYLING TOWNSHIP
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
JUNE 30, 2006

	TREASURER'S TAX COLLECTION ACCOUNT	TRUST AND AGENCY ACCOUNT
ADDITIONS		
Property Tax Collections	\$ 5,795,381	\$ 42,375
Overpayment of Taxes	13,207	
Payroll taxes		87,977
Other collections	<u>5,451</u>	<u>7,464</u>
Total Additions	5,814,039	137,816
DEDUCTIONS		
Distributions S E T	\$ 1,037,524	\$ 8,517
Distributions to Schools	2,874,251	17,990
Distributions to County	1,580,005	13,375
Distributions to Township	312,505	3,793
Distributions for payroll taxes		87,977
Distributions overpayments	<u>13,207</u>	<u>6,564</u>
Total Deductions	<u>5,817,492</u>	<u>138,216</u>
NET CHANGE IN FIDUCIARY NET ASSETS	\$ (3,453)	\$ (400)
FIDUCIARY NET ASSETS - JULY 1, 2005	<u>3,453</u>	<u>400</u>
FIDUCIARY NET ASSETS - JUNE 30 , 2006	\$ <u>0</u>	\$ <u>0</u>

GRAYLING TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006

NOTE A: ENTITY

The Township of Grayling was formed prior to 1875 under general township laws and covers an area of approximately 180 square miles in Crawford County, Michigan. The township operates under an elected Board comprised of a supervisor, clerk, treasurer and two trustees and it provides services in many areas including fire protection, cemetery, compactor station, public road improvements, street lighting, township park, community development and general administrative services.

Grayling Township contracts with the City of Grayling to provide fire protection and cemetery space for township residents. The township contributes funds for the purchase of assets and in accordance with the contract, the township owns fifty percent of the assets. The financial statements of these city funds are not included in this report. Audited financial statements for these funds are included in the City of Grayling audit each year.

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Grayling Township board adopted the required format of the Michigan Department of Treasury minimum requirements under the provisions of GASB No. 34. The township has elected not to prepare government wide financial statements

FUND FINANCIAL STATEMENTS

Fund financial statements are provided for governmental funds. The individual governmental funds are reported in separate columns as follows:

General Fund is used to account for all financial transactions except those required to be accounted for in another fund. The fund includes the general operating expenditures of the local unit. Revenues are derived primarily from property taxes, state grants, and other intergovernmental revenues.

Improvement Revolving Fund was established by the Grayling Township Board to fund future improvements as determined annually by the township board.

Liquor Law Enforcement Fund was established by regulatory provisions to account for liquor fees received to be used for the enforcement of the liquor laws of the State of Michigan.

MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL PRESENTATION

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Modifications in such method from the accrual basis are as follows:

1. Property taxes and other revenues that are both measurable and available are recorded when earned. Properties are assessed as of December 31 and the related property taxes become a lien on December 1 of the following year at which time the revenue is recorded. Grant revenue is recorded when required expenditures are made by the township. Other revenue is recorded when received.
2. Expenditures are recorded when approved by the township board. Inventoriable types of supplies and prepaid expenses are recorded as expenditures when paid.

GRAYLING TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006

CONTINUED

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL PRESENTATION

3. Under township employment policies adopted by the township board, employees are allowed to accumulate vacation and sick leave which is payable upon termination of employment. Sick leave in excess of 210 hours is paid each year in June. The value of these benefits which had vested as of June 30, 2006 was \$17,593. The liability will be paid from future revenues and is not recorded in the general fund as an account payable.
4. Investments, which consist of certificates of deposits, money market accounts and a Treasury Portfolio income trust which is exclusively United States Treasury obligations are stated at cost which approximates market value.
5. Proceeds from loans are recorded in the year received. Payments of principal and interest are reported as expenditures in the year due.
6. Special Assessments for road improvements payable over 5 years are recorded at the at the time the road improvement is expended on behalf of the property owners. The township at the request of property owners has approved special assessment districts for the maintenance of private roads which are on the December tax roll each year. The assessments are recorded as a liability payable to maintenance contractors. Street light special assessments are recorded as a reduction to street light expense.

The statement of fiduciary net assets funds are used to account for assets held in trust as an agent for other governmental units. The township has the Treasurer's Tax Collection Fund and the Trust and Agency Fund. The financial activity of the fiduciary funds is limited to collection of amounts which are subsequently returned and paid to third parties and, accordingly, are limited to cash transactions.

NOTE C: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

P. A. 621 of 1978, Section 18 (11) as amended, provides that a local unit shall not incur expenditures in excess of amount appropriated. Annual budgets of the township are adopted for each fund at the function and department level. During the year ended June 30, 2006, the township did not incur expenditures in excess of amounts appropriated for each department.

The township elected not to establish a separate Building Department Fund, since the fee structure is not intended to recover the full cost of the enforcement of the building codes.

NOTE D: COMMON BANK ACCOUNT

The township has a common bank account for the Trust and Agency Fund and the Liquor Law Enforcement Fund. The equity of each fund in the common bank account as of June 30, 2006, was as follows:

Trust and Agency Fund	\$ 0
Liquor Law Enforcement Fund	4,759
	<u>\$ 4,759</u>

GRAYLING TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006

CONTINUED

NOTE E: PENSION PLAN

The township has a defined contribution pension plan covering substantially all of its employees. The township contributes 12% of annual compensation for each covered employee. The plan is funded fully by the purchase of investments selected by each employee with 100% vesting immediately. The pension expense for the year ending June 30, 2006 was \$32,269. John Hancock is the trustee and custodian of the funds.

NOTE F: DEPOSITS AND INVESTMENTS

The township's June 30, 2006 bank balances for checking and investments were \$586,298 of which \$349,501 was covered by federal depository insurance, the remaining \$236,797 in cash was uninsured and uncollateralized. The township invests its general fund checking account in a sweep account at the bank which had a balance of \$206,431 as of June 30, 2006. The collected funds of this account are deposited or withdrawn on a daily basis by the bank in an income trust fund which invests exclusively in U. S. Treasury obligations. The moneys in this account are not covered by federal depository insurance. All other township investments are in a money market account and in certificates of deposits at local banks. State statutes prohibit security in the form of collateral, surety bonds or another form be taken for the deposit of public funds. The township adopted an investment policy which is in conformity with state statutes and has obtained the necessary signed statements from each depository bank.

NOTE G: DUE FROM STATE OF MICHIGAN

The township received a grant of \$230,000 from the Michigan Department of Natural Resources for the development of a township park with playground, pavilion, and trails. The township was required to match with \$125,000 of money from the general fund to be completed August, 2005. The project was not completed as proposed. Total grant earned is \$127,918 for the three fiscal years ending June 30, 2006. The township has recorded \$14,950 due from the State of Michigan for qualified capital expenditures during grant period.

NOTE H: CAPITAL PROJECTS FUND

The township has an agreement with the City of Grayling to provide fire protection. In 2003, the township agreed to provide 50% of the funds required to construct a new fire station for the joint use of each governmental unit. The city manages the Fire Department with the township contributing funds based on an operating agreement approved by each municipality. The township signed an installment purchase agreement and promissory note with AuSable Construction to build the fire station for \$510,000. The installment agreement and promissory note with AuSable Construction was assigned to Citizens Bank for \$510,000 which was deposited in an escrow account with Crawford County Abstract & Title of Grayling, Michigan. The Township contributed additional funds for the project. The project is now completed.

GRAYLING TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006

CONCLUDED

NOTE I: CONTRACT PAYABLE

The contract assigned by AuSable Construction Co. to Citizens Bank for \$510,000 requires quarterly payments of \$11,041 including interest at 3.55% with a balloon payment due June 27, 2010 of \$316,778. The balance on the note as of June 30, 2006 is \$428,699. The payments are budgeted in the Fire Department of the general fund. Scheduled payments are as follows:

<u>Year Ended</u>	<u>Payments</u>	<u>Interest</u>	<u>Principal</u>	<u>Balance</u>
June 30, 2007	44,163	15,045	29,118	399,581
June 30, 2008	44,163	14,021	30,142	369,439
June 30, 2009	44,163	12,883	31,280	338,159
June 30, 2010	349,901	11,742	338,159	-0-

NOTE J: FIXED ASSETS

The township has established the cost of assets which it owns. The costs are actual or estimates from deeds, township minutes, insurance records and prior audit reports. The township has not adopted a depreciation policy. The fixed assets as of June 30, 2006 are as follows:

Land and land improvements	\$ 77,874
Buildings	
Township Hall	283,159
Compactor and Recycling Station	64,807
Township Park	64,000
Fire Hall	518,625
Equipment	
Township Hall	109,878
Compactor and Recycling Station	115,139
Township Park	197,068
Fire Hall	695,449
Truck	<u>14,387</u>
Total	<u>\$2,140,386</u>

GRAYLING TOWNSHIP
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2006

	ORIGINAL BUDGET	AMENDED BUDGET	ACTUAL	VARIANCE WITH AMENDED BUDGET
Beginning of Year Fund Balance	\$ 505,418	\$ 505,418	\$ 505,418	\$
Resources				
Taxes and Penalties				
Taxes real & personal	\$ 155,000	\$ 155,000	\$ 161,842	\$ 6,842
Penalties & interest on taxes	17,000	17,000	9,491	(7,509)
Trailer park fees	300	300		(300)
Payments in lieu of taxes	43,830	43,830	48,457	4,627
Tax Administration Fee	51,000	51,000	61,590	10,590
Total Taxes and penalties	<u>267,130</u>	<u>267,130</u>	<u>281,380</u>	<u>14,250</u>
Licenses and Permits				
Metro Act Payment	19,944	19,944	17,849	(2,095)
Building permits	73,000	73,000	63,659	(9,341)
Electrical permits	21,000	21,000	16,580	(4,420)
Plumbing permits	8,000	8,000	7,426	(574)
Mechanical permits	17,000	17,000	12,761	(4,239)
Cable license	14,000	14,000	13,606	(394)
Fire plan review fees	4,000	4,000	1,085	(2,915)
Total Licenses and Permits	<u>156,944</u>	<u>156,944</u>	<u>132,966</u>	<u>(23,978)</u>
State Grants				
Michigan DNR park grant	68,050	68,050	14,950	(53,100)
State revenue sharing	<u>445,500</u>	<u>445,500</u>	<u>434,160</u>	<u>(11,340)</u>
Total State Grants	<u>513,550</u>	<u>513,550</u>	<u>449,110</u>	<u>(64,440)</u>
Charges for Services				
Summer tax collection	35,800	35,800	34,517	(1,283)
School Election charges	2,475	2,475	1,410	(1,065)
Compactor station fees	77,000	77,000	77,231	231
Fire Department Runs	4,000	4,000	3,412	(588)
Filing fees	<u>4,500</u>	<u>4,500</u>	<u>8,380</u>	<u>3,880</u>
Total Charges for Services	<u>123,775</u>	<u>123,775</u>	<u>124,950</u>	<u>1,175</u>
Interest on investments	<u>5,000</u>	<u>5,000</u>	<u>13,087</u>	<u>8,087</u>
Other				
Recycling - County	17,000	17,000	17,000	0
Recycling Sales	13,000	13,000	15,854	2,854
Environmental Grants	15,000	15,000	16,800	1,800
Other	20,500	20,500	2,592	(17,908)
Ordinance enforcement fines	<u>2,000</u>	<u>2,000</u>	<u>1,188</u>	<u>(812)</u>
Total Other	<u>67,500</u>	<u>67,500</u>	<u>53,434</u>	<u>(14,066)</u>
Amounts Available for Appropriation	\$ 1,639,317	\$ 1,639,317	\$ 1,560,345	\$ (78,972)

GRAYLING TOWNSHIP
BUDGETARY COMPARISON SCHEDULE - CONCLUDED
GENERAL FUND
YEAR ENDED JUNE 30, 2006

	ORIGINAL <u>BUDGET</u>	AMENDED <u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE WITH AMENDED <u>BUDGET</u>
Charges to Appropriations				
General Government				
Trustee Fees	\$ 4,500	\$ 5,500	\$ 3,231	\$ 2,269
Supervisor	46,989	73,289	73,194	95
Clerk	41,839	58,239	58,216	23
Computers / Information Technology	16,000	16,000	13,387	2,613
Board of Review	500	550	549	1
Other General Services	47,945	47,945	44,399	3,546
Treasurer	23,923	47,023	46,987	36
Assessor	37,230	68,030	68,028	2
Elections	10,300	10,000	2,885	7,115
Township Offices	81,506	105,356	100,582	4,774
Attorney & Court Fees	12,000	12,000	6,957	5,043
Cemetery	<u>63,763</u>	<u>63,763</u>	<u>43,432</u>	<u>20,331</u>
Total General Government	<u>386,495</u>	<u>507,695</u>	<u>461,847</u>	<u>45,848</u>
Public Safety				
Township Law Enforcement	28,323	34,423	33,417	1,006
Fire Department	197,308	197,558	197,558	0
Inspection Department	<u>115,410</u>	<u>115,410</u>	<u>112,064</u>	<u>3,346</u>
Total Public Safety	<u>341,041</u>	<u>347,391</u>	<u>343,039</u>	<u>4,352</u>
Public Works				
Road Improvements	0	3,000	2,967	33
Street Lighting	11,500	11,500	10,179	1,321
Compactor Station	<u>170,863</u>	<u>210,863</u>	<u>210,579</u>	<u>284</u>
Total Public Works	<u>182,363</u>	<u>225,363</u>	<u>223,725</u>	<u>1,638</u>
Community and Economic Development				
Planning Commission	2,500	2,750	2,242	508
Zoning Board	2,500	2,850	2,815	35
Contracted Services	<u>10,000</u>	<u>10,300</u>	<u>10,187</u>	<u>113</u>
Total Community and Economic Development	<u>15,000</u>	<u>15,900</u>	<u>15,244</u>	<u>656</u>
Parks and Recreation				
Township Park	<u>52,500</u>	<u>28,550</u>	<u>23,623</u>	<u>4,927</u>
Other				
Insurance and Bonds	17,000	9,000	8,143	857
Medical Benefits	86,000	0	0	0
Retirement	25,000	0	0	0
Social Security	18,000	0	0	0
Sick Pay	9,600	0	0	0
Unemployment	<u>900</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Other	<u>156,500</u>	<u>9,000</u>	<u>8,143</u>	<u>857</u>
Total Charges to Appropriations	<u>1,133,899</u>	<u>1,133,899</u>	<u>1,075,621</u>	<u>58,278</u>
Budgetary Fund Balance, June 30, 2006	\$ <u>505,418</u>	\$ <u>505,418</u>	\$ <u>484,724</u>	\$ <u>(137,250)</u>

Notes to the Financial Statements are an integral part of this statement.

GRAYLING TOWNSHIP
BUDGETARY COMPARISON SCHEDULE
IMPROVEMENT REVOLVING FUND
YEAR ENDED JUNE 30, 2006

	<u>ORIGINAL BUDGET</u>	<u>AMENDED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH AMENDED BUDGET</u>
Beginning of Year Fund Balance	\$ 165,707	\$ 165,707	\$ 165,707	\$
Interest	12,000	12,000	4,486	(7,514)
National Forest Roads	<u> </u>	<u> </u>	<u>2,103</u>	<u>2,103</u>
Amounts Available for Appropriation	<u>177,707</u>	<u>177,707</u>	<u>172,296</u>	<u>(5,411)</u>
Appropriations	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Budgetary Fund Balance June 30, 2006	\$ <u>177,707</u>	\$ <u>177,707</u>	\$ <u>172,296</u>	\$ <u>(5,411)</u>

GRAYLING TOWNSHIP
BUDGETARY COMPARISON SCHEDULE
LIQUOR LAW ENFORCEMENT FUND
YEAR ENDED JUNE 30, 2006

	ORIGINAL <u>BUDGET</u>	AMENDED <u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE WITH AMENDED <u>BUDGET</u>
Beginning of Year Fund Balance	\$ 4,614	\$ 4,614	\$ 4,614	\$
State grants	<u>2,160</u>	<u>2,160</u>	<u>1,708</u>	<u>(452)</u>
Amounts Available for Appropriation	6,774	6,774	6,322	<u>(452)</u>
Appropriations				
Public Safety	<u>2,160</u>	<u>2,160</u>	<u>1,563</u>	<u>597</u>
Budgetary Fund Balance June 30, 2006	\$ <u>4,614</u>	\$ <u>4,614</u>	\$ <u>4,759</u>	\$ <u>145</u>